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SUBJECT: KOSOVO: TOWARD REFRAMING THE DEBATE ON DECENTRALIZATION AND

ELECTIONS

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY.

REF: August 17 Washington-Pristina-Belgrade DVC

11. (SBU) SUMMARY: Disputes within the international community on the process of decentralization and the timing for elections have overshadowed our unanimity on the most basic goals - the need for successful decentralization and successful elections. As August ends, and deadlines for finalizing the November 15 elections pass, we should look to refocus the debate on issues of substance, namely what a successful new municipality must do to govern, to provide services, and to build legitimacy with its citizens. By asking these questions, perhaps we can overcome recent divisions and build the cohesive effort needed among internationals and with our GOK counterparts over the next months to build municipalities that are ready to run. As promised during ref, here are our thoughts on a possible way forward. END SUMMARY

Where We Are Now

- 12. (SBU) The Quint has been stalemated for months over the issue of the November 15 municipal elections and decentralization (i.e., whether to proceed with elections in the new Serb-majority municipalities mandated by the Ahtisaari Plan). We share the same goals with our Quint and ICO partners: successful elections and successful decentralization. Nonetheless, our assessment remains that there is insufficient time to establish even the basic infrastructure necessary both for the new municipalities to function and to convince Kosovo Serbs to participate in the municipal elections in sufficient numbers. Absent these, municipal governments will at best lack legitimacy, and, at worst, will be run by the Albanians who came out to vote. In short, we believe that if we attempt to force elections in municipalities where little has been done beyond creation of Municipal Preparation Teams (MPT), we risk failed elections and a discredited decentralization process.
- $\underline{\ \ \ }$ 3. (SBU) The UK believes that Kosovo Serbs are eager to participate in elections for the new municipalities and will become disenchanted with the GOK's commitment to local self-government if elections are delayed. The UK also believes that the creation of the MPTs makes

the new municipalities sufficiently tangible to persuade enough Kosovo Serbs to vote on November 15, tepid negative signals from Belgrade notwithstanding. The International Civilian Office (ICO) prefers that elections take place in as many municipalities as possible, with 38 being the ideal, and like the UK, some within the ICO have what we believe to be unrealistically high expectations about Kosovo Serb voter turnout. The Germans see the risks as we do, and tend to favor our approach. Both the French and Italian embassies are on the fence, receptive to the UK's optimism but cautious about pushing decentralization too far, too quickly.

Decentralization Remains Critical

¶4. (SBU) Only two of the MPTs for the new Serb-majority municipalities have been established: Klokot and Gracanica. ICO plans to complete the process of establishing the MPTs for Ranilug and Partesh within the next two weeks. The final MPTs, Mitrovica North and Novo Brdo, would follow. Even if the remaining MPTs were rolled out without a hitch, it is hard to imagine a scenario that would permit sufficient time for the Central Election Commission to make the necessary technical preparations for elections in all these new municipalities. In other words, the facts on the ground may force a de facto delinking of elections and decentralization, but this still begs the question, how do we ensure the international community unites behind a successful push for decentralization. Decentralization remains central to a multiethnic, democratic future for Kosovo, and our prospects for accomplishing it diminish if the debate over elections and decentralization ends unconstructively.

Reframing the Issue

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- ¶5. (SBU) We recommend reframing the issue and beginning a discussion with our Quint and ICO partners about what must be done: first, to build sentiment among Kosovo Serbs that they have a stake in the new municipalities, and second, to create municipal structures that deliver results in areas important to Kosovo Serbs, thus validating their cooperation and participation.
- 16. (SBU) Building buy in starts at the local level. International and GOK stakeholders must continue to build relationships with local Kosovo Serb leaders. Sustained public outreach is necessary to overcome misunderstanding and distrust, and to describe the very real benefits (and additional financial resources) decentralization will bring to Kosovo Serb communities. An effective get-out-the-vote program will also be needed in the run up to elections in these areas. We also acknowledge that Belgrade could play a constructive role, if the Serbian Government can be convinced to signal clearly its support for decentralization (without doing so in a manner designed to provoke a negative reaction from the GOK). This groundwork is critical to the success of decentralization, but we do not believe there is enough time between now and September 15 (when candidate lists are due) or November 15 to accomplish all of this.
- \P 7. (SBU) Second, the new municipalities must deliver immediate results. Kosovo Serbs who show the courage to run for election will need key municipal offices ready to function upon taking office. They cannot afford politically to take another a year or more to try to set them up - an outcome that will likely result in their constituents losing faith in the process. With this in mind, we spoke with the USAID implementing partner - Research Triangle Institute (RTI) - working with the Ministry of Local Government Administration (MLGA) and the MPTs to establish the new municipalities. RTI is familiar with the conditions on the ground, and based on the Pilot Municipal Unit (PMU) experience, stressed that without a clear vision of when the process of establishment is complete, it can drag on without a clear resolution. RTI offered us four areas where the new municipalities should establish their bone fides among local Serbs before they can be considered functional and ready to hold elections for a municipal assembly and mayor: 1) governance structures; 2) organizational structure; 3) core competencies and services; and, 4) facilities and equipment.

Governance Structure

18. (SBU) As RTI notes, the Law on Municipal Boundaries has already accomplished the most basic requirement for establishing a new municipality - delineated boundaries. Beyond this most basic criterion, there are other minimum legal and policy/structural requirements for a municipality. These include: drafting a municipal statute; creating an organogram of departments and sub-departments; and hiring civil servants. Decisions on issues like these are tricky, and presuppose other work within MPTs themselves, like establishing internal leadership and rules of procedure. If the MPTs are to do the things they need to do to move a municipality towards its minimum requirements for functionality, the MPTs themselves will need clear and robust interpretations of their own mandates.

Organizational Structure

19. (SBU) Organizational structure refers to those departments and offices within a municipality that provide the basic building blocks for municipal operations. At a minimum there are six functional departments/offices that the new municipalities require: finance and budget; administration; legal office; procurement; internal audit; and inspections. Other important organizational staff that may follow later include maintenance workers, public information officers, and project officers. With sufficient time, the ideal situation would allow for staff in the new municipalities to shadow their counterparts from the mother municipalities to learn about how

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a municipal government operates.

Competencies/Services

110. (SBU) The new municipalities' central responsibility is to provide services to residents. These include those services that the municipality directs and those that it implements with delegated authority from the central government. Providing services to constituents is the most concrete way to make the municipalities "real" to Kosovo Serbs and create for them a stake in their success. It would provide a tangible counter to the argument that municipalities are nothing more than paper organizations, and that the Serbs leading them are merely Quislings only interested in a GOK paycheck. After all, the exercise of several competencies, such as management of cadastral records, civil registration, or distribution of social assistance payments, would provide for considerable interaction between the community and the municipality and would build recognition and acceptance for the new institutions.

Facilities and Equipment

111. (SBU) Finally, the new municipalities need to acquire facilities and equipment, such as vehicles and computers, to start begin operations. The amount and types of space would be dictated by decisions concerning the competencies they exercise in the beginning (and these would vary from new municipality to new municipality based on local leaders' assessments of their constituents' most pressing needs). Facilities could include a municipal office, meeting room, schools, and health clinics. Requirements, and time needed, will vary by municipal size and the presence of pre-existing facilities.

Getting from Here to There

112. (SBU) RTI tells us that it would require at least six to eight months' work following the appointment of an MPT before sufficient progress could be made for a new municipality to stand on its own, particularly in the key areas of competencies and service. The pace of progress will vary from municipality to municipality depending upon a host of factors, such as size, but the MPTs cannot do it by

themselves. This would suggest we aim to hold the inaugural elections for the new municipalities in the first half of 2010. Within that timeframe, we believe that the MPTs and the international community would have sufficient time both to encourage enough Kosovo Serbs to vote and to establish the critical municipal infrastructure needed to deliver immediate tangible results that would create buy-in from Kosovo Serbs. Both goals will take significant international community support and resources to accomplish.

13. (SBU) USAID, though RTI, is already working in Klokot on some of these issues, and it plans to begin work shortly in Gracanica. RTI's capacity is limited, however. It will need additional resources, but success would require greater involvement from other donors as well. In our judgment, such support is currently lacking, because, in part, discussions of substance have been overwhelmed by debates on process, like elections and formation of MPTs. We would need to work with the Ministry for Local Government and Administration (MLGA) to develop an action plan for it to deploy its limited resources and around which donors (as well as KFOR, which has the capacity to contribute through "humanitarian" projects) could rally. Success will also require full cooperation from the GOK and the mother municipalities. This may be problematic between now and November 15 given political pressures, but we would need to, at a minimum, ensure the GOK and mother municipalities do not make statements or take decisions that are unhelpful between now and then.

Comment

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114. (SBU) Decentralization is at the heart of the Ahtisaari Plan, and its success is central for Kosovo's long-term prospects and the U.S. goal of creating a stable Kosovo. We need to get it right. Though there will never be an iron-clad quarantee of success, we think we can reduce the risks of failure by using the time between now spring 2010 to make the new municipalities into something more than potential and organogram, which is basically what the MPTs are Belgrade and hard core Kosovo Serb rejectionists will squawk if elections in the new municipalities are postponed, but they will squawk even louder if elections are held and return Albanian-led governments. We will not get a second chance to make it right, and failure now will set us back more broadly. We think we can make the case to those Kosovo Serbs who have stepped up to serve on the MPTs and others that the commitment to decentralization is genuine if there is a robust international community and GOK effort to give the new municipalities meaningful substance between now and a date in the first half of 2010. The 2010 date would also make clear to those within the GOK (and the opposition) who would like decentralization to go away, that it is not a commitment they can wiggle out of or wait us out on. We hope these thoughts might provide a basis for uniting the Quint and the ICO around an agreed strategy on decentralization and suggest we discuss them and possible next steps at our August 24 DVC.

MURPHY